

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## HOUSE ENROLLED ACT No. 1902

AN ACT to amend the Indiana Code concerning gaming.

Whereas the West Baden Springs Hotel is an architectural jewel of Indiana;

Whereas the General Assembly wants to preserve this historic hotel but is unable to devote sufficient state resources due to the fiscal problems facing our government;

Whereas the General Assembly has repeatedly attempted to find nongaming solutions to the economic malaise in Orange County;

Whereas the General Assembly authorized a riverboat gaming license for Patoka Lake that was never issued; and

Whereas many citizens of Orange County have demonstrated to the General Assembly an uncommon determination to improve the economic opportunities available in their county. Therefore,

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 4-33-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. This article applies only to the following:

- (1) Counties contiguous to Lake Michigan.
- (2) Counties contiguous to the Ohio River.
- (3) ~~Counties contiguous to Patoka Lake.~~

**(3) A county that contains a historic hotel district.**

SECTION 2. IC 4-33-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. All shipments of gambling devices, including slot machines, to **an operating agent or a licensed riverboats riverboat** in ~~this state~~, **Indiana**, the registering, recording,



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and labeling of which have been completed by the manufacturer or dealer thereof in accordance with 15 U.S.C. 1171 through 1178, are legal shipments of gambling devices into ~~the state of~~ Indiana.

SECTION 3. IC 4-33-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. "Adjusted gross receipts" means:

- (1) the total of all cash and property (including checks received by a licensee **or an operating agent**) whether collected or not, received by a licensee **or an operating agent** from gaming operations; minus
- (2) the total of:
  - (A) all cash paid out as winnings to patrons; and
  - (B) uncollectible gaming receivables, not to exceed the lesser of:
    - (i) a reasonable provision for uncollectible patron checks received from gaming operations; or
    - (ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out as winnings to patrons.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the licensee **or operating agent** from gaming operations.

SECTION 4. IC 4-33-2-11.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11.1. "**Historic hotel**" means a structure originally built as a hotel that:

- (1) contained at least three hundred (300) sleeping rooms on or before January 1, 1930;
- (2) is listed in, or is seeking listing in, the National Register of Historic Places; and
- (3) was regionally recognized for the mineral springs located on the property that were thought to have significant health benefits for the hotel's guests.

SECTION 5. IC 4-33-2-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11.5. "**Historic hotel district**" means a historic hotel district that is established under IC 36-7-11.5.

SECTION 6. IC 4-33-2-14.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14.5. "**Operating agent**" means a person with whom the commission has entered into a contract under IC 4-33-6.5 to operate a riverboat in a historic hotel district.

SECTION 7. IC 4-33-2-14.6 IS ADDED TO THE INDIANA CODE



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AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 14.6. "Operating agent contract" refers to the contract entered into by the commission under IC 4-33-6.5 with respect to the operation of a riverboat in a historic hotel district.**

SECTION 8. IC 4-33-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 17. "Riverboat" means either of the following on which lawful gambling is authorized under this article:**

**(1) A self-propelled excursion boat located in a county described in IC 4-33-1-1 on which lawful gambling is authorized and licensed under this article: IC 4-33-1-1(1) or IC 4-33-1-1(2) that complies with IC 4-33-6-6(a).**

**(2) A vessel located in a historic hotel district.**

SECTION 9. IC 4-33-3-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 17. (a) A person may not be employed to serve the commission if:**

**(1) the person or the person's spouse, parent, or child is:**

**(A) an official of an operator or operating agent engaged in gambling operations in Indiana; or**

**(B) a person with:**

**(i) a financial interest in; or**

**(ii) a financial relation with;**

**an operator or operating agent engaged in gambling operations in Indiana; or**

**(2) the person is a spouse, parent, or child of a commission member.**

**(b) The employment of a person employed in violation of subsection (a) shall be terminated.**

SECTION 10. IC 4-33-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1. (a) The commission has the following powers and duties for the purpose of administering, regulating, and enforcing the system of riverboat gambling established under this article:**

**(1) All powers and duties specified in this article.**

**(2) All powers necessary and proper to fully and effectively execute this article.**

**(3) Jurisdiction and supervision over the following:**

**(A) All riverboat gambling operations in Indiana.**

**(B) All persons on riverboats where gambling operations are conducted.**

**(4) Investigate and reinvestigate applicants and license holders and determine the eligibility of applicants for licenses or**

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**operating agent contracts.**

- (5) Select among competing applicants the applicants that promote the most economic development in a home dock area and that best serve the interests of the citizens of Indiana.
- (6) Take appropriate administrative enforcement or disciplinary action against a licensee **or an operating agent**.
- (7) Investigate alleged violations of this article.
- (8) Establish fees for licenses issued under this article.
- (9) Adopt appropriate standards for the design, appearance, aesthetics, and construction for riverboats and facilities.
- (10) Conduct hearings.
- (11) Issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the production of books, records, and other relevant documents.
- (12) Administer oaths and affirmations to the witnesses.
- (13) Prescribe a form to be used by **an operating agent or a** licensee involved in the ownership or management of gambling operations as an application for employment by potential employees.
- (14) Revoke, suspend, or renew licenses issued under this article.
- (15) Hire employees to gather information, conduct investigations, and carry out other tasks under this article.
- (16) Take any reasonable or appropriate action to enforce this article.

(b) Applicants and license holders shall reimburse the commission for costs related to investigations and reinvestigations conducted under subsection (a)(4).

SECTION 11. IC 4-33-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.
- ~~(4) With respect to riverboats that operate on Patoka Lake, ensuring:~~
  - ~~(A) the prevention of practices detrimental to the natural environment and scenic beauty of Patoka Lake; and~~
  - ~~(B) compliance by licensees and riverboat patrons with the requirements of IC 14-26-2-5 and IC 14-28-1.~~



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~~(5)~~ (4) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.

~~(6)~~ (5) Imposing penalties for noncriminal violations of this article.

SECTION 12. IC 4-33-4-3, AS AMENDED BY P.L.14-2000, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The commission shall do the following:

(1) Adopt rules that the commission determines necessary to protect or enhance the following:

(A) The credibility and integrity of gambling operations authorized by this article.

(B) The regulatory process provided in this article.

~~(C) The natural environment and scenic beauty of Patoka Lake.~~

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees and taxes imposed under this article.

(4) Deposit the license fees and taxes in the state gaming fund established by IC 4-33-13.

(5) Levy and collect penalties for noncriminal violations of this article.

(6) Deposit the penalties in the state gaming fund established by IC 4-33-13.

(7) Be present through the commission's inspectors and agents during the time gambling operations are conducted on a riverboat to do the following:

(A) Certify the revenue received by a riverboat.

(B) Receive complaints from the public.

(C) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.

~~(D) With respect to riverboats that operate on Patoka Lake, ensure compliance with the following:~~

~~(i) IC 14-26-2-6.~~

~~(ii) IC 14-26-2-7.~~

~~(iii) IC 14-28-1.~~

(8) Adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

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(B) an emergency rule is likely to address the need.

(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(8) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(8).

SECTION 13. IC 4-33-4-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3.5. The commission may employ or contract for inspectors and agents required under section 3(7) of this chapter. The licensed owners **and operating agents** shall, in the manner prescribed by the rules of the commission, reimburse the commission for the salaries and other expenses of the inspectors and agents required to be present during the time gambling operations are conducted on a riverboat.

SECTION 14. IC 4-33-4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. The commission may enter an office, a riverboat, a facility, or other premises of **an operating agent or** a person holding an owner's, or supplier's license where evidence of the compliance or noncompliance with this article is likely to be found.

SECTION 15. IC 4-33-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. The commission shall require that the records, including financial statements, of **an operating agent or** a person holding an owner's, or supplier's license must be maintained in the manner prescribed by the commission.

SECTION 16. IC 4-33-4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. If a licensee, **an operating agent**, or an employee of a licensee **or an operating agent** violates this article or engages in a fraudulent act, the commission may do any combination of the following:

- (1) Suspend, revoke, or restrict the license of the licensee, **or suspend, revoke, or restrict the gambling operations of an operating agent.**
- (2) Require the removal of a licensee or an employee of a licensee.
- (3) Impose a civil penalty of not more than five thousand dollars (\$5,000) against an individual who has been issued an occupational license or a person who has been issued a supplier's license for each violation of this article.
- (4) Impose a civil penalty of not more than the greater of:
  - (A) ten thousand dollars (\$10,000); or
  - (B) an amount equal to the licensee's **or operating agent's** daily gross receipts for the day of the violation;



against an owner **or operating agent** for each violation of this article.

SECTION 17. IC 4-33-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. The commission shall require an owner **or operating agent** conducting gambling games to use a cashless wagering system in which a player's money is converted to tokens, electronic cards, or chips that may be used only for wagering on the riverboat.

SECTION 18. IC 4-33-4-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11. The commission shall establish the minimum amount of insurance that must be maintained by:

- (1) **an operating agent; or**
- (2) owner and supplier licensees.

SECTION 19. IC 4-33-4-12, AS AMENDED BY P.L.204-2001, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. Except as provided by IC 7.1-3-17.5, IC 7.1 and the rules adopted by the alcohol and tobacco commission apply to:

- (1) **an operating agent; and**
- (2) a person holding an owner's license.

SECTION 20. IC 4-33-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13. (a) **This section does not apply to a riverboat located in a historic hotel district.**

(b) After consulting with the United States Army Corps of Engineers, the commission may do the following:

- (1) Determine the waterways that are navigable waterways for purposes of this article.
- (2) Determine the navigable waterways that are suitable for the operation of riverboats under this article.

~~(b)~~ (c) In determining the navigable waterways on which riverboats may operate, the commission shall do the following:

- (1) Obtain any required approvals from the United States Army Corps of Engineers for the operation of riverboats on those waterways.
- (2) Consider the economic benefit that riverboat gambling provides to Indiana.
- (3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.
- ~~(4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:~~

~~(A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake; and~~



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~~(B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.~~

SECTION 21. IC 4-33-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. The commission shall annually do the following:

- (1) Review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this article.
- (2) Make recommendations to the governor and the general assembly concerning whether limits on wagering losses should be imposed.
- ~~(3) Examine the impact on the natural environment and scenic beauty of Patoka Lake made by the navigation and docking of riverboats.~~

SECTION 22. IC 4-33-4-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) The commission shall review and make a determination on a complaint by **an operating agent or** a person who has been issued an owner's license concerning an investigative procedure that the licensee alleges is unnecessarily disruptive of gambling operations.

(b) A licensee **or an operating agent** filing a complaint under this section must prove all of the following by clear and convincing evidence:

- (1) The investigative procedure had no reasonable law enforcement purpose.
- (2) The investigative procedure was so disruptive as to unreasonably inhibit gambling operations.
- (c) For purposes of this section, the need to inspect and investigate a licensee **or an operating agent** shall be presumed at all times.

SECTION 23. IC 4-33-4-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 17. (a) The commission shall decide promptly and in reasonable order all license applications.

(b) Notwithstanding any provision of this article, no owner's license may be granted for any riverboat that is not to be docked in the city described under IC 4-33-6-1(a)(1) until the earlier of:

- (1) the issuance of an owner's license for a riverboat that is to be docked in the city described under IC 4-33-6-1(a)(1); or
- (2) September 1, 1994.

~~(c) Notwithstanding any provision of this article, no owner's license may be granted for any riverboat that is to be docked in a county described in IC 4-33-1-1(3) until July 1, 1995.~~

~~(d)~~ (c) A party aggrieved by an action of the commission denying, suspending, revoking, restricting, or refusing the renewal of a license

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may request a hearing before the commission. A request for a hearing must be made to the commission in writing not more than ten (10) days after service of notice of the action of the commission.

(e) (d) The commission shall serve notice of the commission's actions to a party by personal delivery or by certified mail. Notice served by certified mail is considered complete on the business day following the date of the mailing.

(f) (e) The commission shall conduct all requested hearings promptly and in reasonable order.

SECTION 24. IC 4-33-4-21.2, AS AMENDED BY P.L.192-2002(ss), SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21.2. (a) The Indiana gaming commission shall require a licensed owner **or an operating agent** to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

- (1) On each admission ticket to a riverboat if tickets are issued.
- (2) On a poster or placard that is on display in a public area of each riverboat where gambling games are conducted.
- (b) The toll free telephone line described in IC 4-33-12-6 must be:
  - (1) maintained by the division of mental health and addiction under IC 12-23-1-6; and
  - (2) funded by the addiction services fund established by IC 12-23-2-2.

(c) The commission may adopt rules under IC 4-22-2 necessary to carry out this section.

SECTION 25. IC 4-33-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. An applicant for a license **or an operator agent contract** under this article must provide the following information to the commission:

- (1) The name, business address, and business telephone number of the applicant.
- (2) An identification of the applicant.
- (3) The following information for an applicant that is not an individual:
  - (A) The state of incorporation or registration.
  - (B) The names of all corporate officers.
  - (C) The identity of the following:
    - (i) Any person in which the applicant has an equity interest of at least one percent (1%) of all shares. The identification must include the state of incorporation or registration if applicable. However, an applicant that has a pending registration statement filed with the Securities and Exchange

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Commission is not required to provide information under this item.

(ii) The shareholders or participants of the applicant. An applicant that has a pending registration statement filed with the Securities and Exchange Commission is required to provide only the names of persons holding an interest of more than one percent (1%) of all shares.

(4) An identification of any business, including the state of incorporation or registration if applicable, in which an applicant or the spouse or children of an applicant has an equity interest of more than one percent (1%) of all shares.

(5) If the applicant has been indicted, been convicted, pleaded guilty or nolo contendere, or forfeited bail concerning a criminal offense other than a traffic violation under the laws of any jurisdiction. The applicant must include the following information under this subdivision:

(A) The name and location of the following:

- (i) The court.
- (ii) The arresting agency.
- (iii) The prosecuting agency.

(B) The case number.

(C) The date and type of offense.

(D) The disposition of the case.

(E) The location and length of incarceration.

(6) If the applicant has had a license or certificate issued by a licensing authority in Indiana or any other jurisdiction denied, restricted, suspended, revoked, or not renewed. An applicant must provide the following information under this subdivision:

(A) A statement describing the facts and circumstances concerning the denial, restriction, suspension, revocation, or nonrenewal.

(B) The date each action described in clause (A) was taken.

(C) The reason each action described in clause (A) was taken.

(7) If the applicant has:

(A) filed or had filed against the applicant a proceeding in bankruptcy; or

(B) been involved in a formal process to adjust, defer, suspend, or work out the payment of a debt;

including the date of filing, the name and location of the court, and the case and number of the disposition.

(8) If the applicant has filed or been served with a complaint or notice filed with a public body concerning:

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- (A) a delinquency in the payment of; or
- (B) a dispute over a filing concerning the payment of;  
a tax required under federal, state, or local law, including the amount, type of tax, the taxing agency, and times involved.
- (9) A statement listing the names and titles of public officials or officers of units of government and relatives of the public officials or officers who directly or indirectly:
  - (A) have a financial interest in;
  - (B) have a beneficial interest in;
  - (C) are the creditors of;
  - (D) hold a debt instrument issued by; or
  - (E) have an interest in a contractual or service relationship with;
 an applicant.
- (10) If an applicant for **an operating agent contract** or an owner's or a supplier's license has directly or indirectly made a political contribution, loan, donation, or other payment to a candidate or an office holder in Indiana not more than five (5) years before the date the applicant filed the application. An applicant must provide information concerning the amount and method of a payment described in this subdivision.
- (11) The name and business telephone number of the attorney who will represent the applicant in matters before the commission.
- (12) A description of a proposed or an approved riverboat gaming operation, including the following information:
  - (A) The type of boat.
  - (B) The home dock location.
  - (C) The expected economic benefit to local communities.
  - (D) The anticipated or actual number of employees.
  - (E) Any statements from the applicant concerning compliance with federal and state affirmative action guidelines.
  - (F) Anticipated or actual admissions.
  - (G) Anticipated or actual adjusted gross gaming receipts.
- (13) A description of the product or service to be supplied by the applicant if the applicant has applied for a supplier's license.
- (14) The following information from each licensee **or operator agent** involved in the ownership or management of gambling operations:
  - (A) An annual balance sheet.
  - (B) An annual income statement.
  - (C) A list of the stockholders or other persons having at least

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a one percent (1%) beneficial interest in the gambling activities of the person who has been issued the owner's license **or operator agent contract.**

(D) Any other information the commission considers necessary for the effective administration of this article.

SECTION 26. IC 4-33-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. Notwithstanding any other law, upon written request from a person, the commission shall provide the following information to the person:

- (1) The information provided under section 1 of this chapter concerning a licensee or an applicant.
- (2) The amount of the wagering tax and admission tax paid daily to the state by a licensed owner **or an operating agent.**
- (3) A copy of a letter providing the reasons for the denial of an owner's license **or an operating agent's contract.**
- (4) A copy of a letter providing the reasons for the commission's refusal to allow an applicant to withdraw the applicant's application.

SECTION 27. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) The commission may issue to a person a license to own one (1) riverboat subject to the numerical and geographical limitation of owner's licenses under this section, and IC 4-33-4-17. However, not more than ~~eleven (11)~~ **ten (10)** owner's licenses may be in effect at any time. Except as provided in subsection (b), those ~~eleven (11)~~ **ten (10)** licenses are as follows:

- (1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).
- (2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).
- (3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).
- (4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).
- (5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).
- (6) ~~One (1) license for a riverboat that operates upon Patoka Lake~~



~~from a county described under IC 4-33-1-1(3).~~

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

- (1) does not already have a riverboat operating from the city; and
- (2) is located in a county described in IC 4-33-1-1(1).

**(c) In addition to its power to issue owner's licenses under subsection (a), the commission may also enter into a contract under IC 4-33-6.5 with respect to the operation of one (1) riverboat on behalf of the commission in a historic hotel district.**

SECTION 28. IC 4-33-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) A riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:

- (1) have a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; and
- (2) be at least one hundred fifty (150) feet in length.

~~(b) A riverboat that operates on Patoka Lake must:~~

- ~~(1) have the capacity to carry at least five hundred (500) passengers;~~
- ~~(2) be at least one hundred fifty (150) feet in length; and~~
- ~~(3) meet safety standards required by the commission.~~

~~(c)~~ **(b)** This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.

SECTION 29. IC 4-33-6-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 18. (a) This subsection applies to cities described in section 1(a)(1) through 1(a)(4) or section 1(b) of this chapter. The commission may not issue a license authorizing a riverboat to dock in a city unless the legislative body of the city has approved an ordinance permitting the docking of riverboats in the city.

(b) This subsection applies to a county described in section 1(a)(5) of this chapter if the largest city in the county is contiguous to the Ohio River. The commission may not issue a license authorizing a riverboat to dock in the county unless an ordinance permitting the docking of riverboats in the county has been approved by the legislative body of

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the largest city in the county. The license must specify that the home dock of the riverboat is to be located in the largest city in the county.

(c) This subsection applies to a county described in section 1(a)(5) of this chapter if the largest city in the county is not contiguous to the Ohio River. The commission may not issue a license authorizing a riverboat to dock in the county unless an ordinance permitting the docking of riverboats in the county has been approved by the county fiscal body.

(d) This subsection applies to a county ~~described in section 1(a)(6) of this chapter~~ **in which a historic hotel district is located**. The commission may not ~~issue a license authorizing a riverboat to dock~~ **enter into a contract under IC 4-33-6.5 for the operation of a riverboat** in the county unless an ordinance permitting the docking of riverboats in the county has been approved by the county fiscal body.

SECTION 30. IC 4-33-6-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 19. (a) This section applies to:

- (1) a county contiguous to the Ohio River;
- (2) a county ~~contiguous to Patoka Lake~~ **containing a historic hotel district**; and
- (3) a county contiguous to Lake Michigan that has a population of less than four hundred thousand (400,000).

(b) Notwithstanding any other provision of this article, the commission may not:

- (1) issue a license under this article to allow a riverboat to operate in the county; **or**
- (2) **enter into a contract with an operating agent under IC 4-33-6.5;**

unless the voters of the county have approved the conducting of gambling games on riverboats in the county.

(c) If the docking of a riverboat in the county is approved by an ordinance adopted under section 18 of this chapter, or if at least the number of the registered voters of the county required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the circuit court clerk requesting that a local public question concerning riverboat gaming be placed on the ballot, the county election board shall place the following question on the ballot in the county during the next **primary or** general election:

"~~Shall licenses be issued to permit~~ riverboat gambling **be permitted** in \_\_\_\_ County?"

(d) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9 and must be certified in accordance with

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IC 3-10-9-3.

(e) The clerk of the circuit court of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(f) If a public question under this section is placed on the ballot in a county and the voters of the county do not vote in favor of permitting riverboat gambling under this article, a second public question under this section may not be held in that county for at least two (2) years. If the voters of the county vote to reject riverboat gambling a second time, a third or subsequent public question under this section may not be held in that county until the general election held during the tenth year following the year that the previous public question was placed on the ballot.

SECTION 31. IC 4-33-6.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

**Chapter 6.5. Riverboat Operating Agent Contract**

**Sec. 1. The commission may enter into one (1) operating agent contract with a person to operate one (1) riverboat on behalf of the commission in a historic hotel district. The commission shall issue a request for proposals and award the contract under IC 5-22-9.**

**Sec. 2. (a) A person, including a person who holds or has an interest in an owner's license issued under this article, may file an application with the commission to serve as an operating agent under this chapter. An applicant must pay a nonrefundable application fee to the commission in an amount to be determined by the commission.**

**(b) An applicant must submit the following on forms provided by the commission:**

**(1) If the applicant is an individual, two (2) sets of the individual's fingerprints.**

**(2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.**

**(c) The commission shall review the applications filed under this chapter and shall inform each applicant of the commission's decision.**

**(d) The costs of investigating an applicant to serve as an operating agent under this chapter shall be paid from the application fee paid by the applicant.**

**(e) An applicant to serve as an operating agent under this chapter must pay all additional costs that are:**

**(1) associated with the investigation of the applicant; and**



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(2) greater than the amount of the application fee paid by the applicant.

**Sec. 3. The commission may not enter into an operating agent contract with a person under this chapter if:**

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or the laws of the United States;
- (2) the person has knowingly or intentionally submitted an application under this chapter that contains false information;
- (3) the person is a member of the commission;
- (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
- (5) the person employs an individual who is described in subdivision (1), (2), or (3); or
- (6) a license issued to the person to own or operate gambling facilities in another jurisdiction has been revoked.

**Sec. 4. In determining whether to grant an operating agent contract to an applicant, the commission shall consider the following:**

- (1) The character, reputation, experience, and financial integrity of the following:
  - (A) The applicant.
  - (B) A person that:
    - (i) directly or indirectly controls the applicant; or
    - (ii) is directly or indirectly controlled by the applicant or by a person that directly or indirectly controls the applicant.
- (2) The facilities or proposed facilities for the conduct of riverboat gambling in a historic hotel district. The applicant must submit to the commission a proposed design of the riverboat.
- (3) The highest prospective total revenue to be collected by the state from the conduct of riverboat gambling.
- (4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.
- (5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.
- (6) Whether the applicant has adequate capitalization to operate a riverboat for the duration of the contract.
- (7) The extent to which the applicant provides assurances that the applicant will participate in the funding of:



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- (A) specific economic development programs; or
  - (B) infrastructure improvements;
- in the county where the riverboat is located.

(8) The extent to which the applicant exceeds or meets other standards adopted by the commission.

**Sec. 5.** After selecting the most appropriate operating agent applicant, the commission may enter into an operating agent contract with the person. The operating agent contract must comply with this article and include the following terms and conditions:

(1) The operating agent must pay a nonrefundable initial fee of one million dollars (\$1,000,000) to the commission. The fee must be deposited by the commission into the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(2) The operating agent must post a bond as required in section 6 of this chapter.

(3) The operating agent must implement flexible scheduling.

(4) The operating agent must locate the riverboat in a historic hotel district at a location approved by both the commission and the historic hotel preservation commission established under IC 36-7-11.5.

(5) The operating agent must comply with any requirements concerning the exterior design of the riverboat that are approved by both the commission and the historic hotel preservation commission established under IC 36-7-11.5.

(6) Notwithstanding any law limiting the maximum length of contracts:

(A) the initial term of the contract may not exceed twenty (20) years; and

(B) any renewal or extension period permitted under the contract may not exceed twenty (20) years.

(7) The operating agent must collect and remit all taxes under IC 4-33-12 and IC 4-33-13.

(8) The operating agent must comply with the restrictions on the transferability of the operating agent contract under section 12 of this chapter.

**Sec. 6.** (a) An operating agent must post a bond with the commission at least sixty (60) days before the commencement of regular riverboat operations in the historic hotel district.

(b) The bond must be furnished in:

(1) cash or negotiable securities;



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**(2) a surety bond:**

**(A) with a surety company approved by the commission;  
and**

**(B) guaranteed by a satisfactory guarantor; or**

**(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.**

**(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the operating agent.**

**(d) The bond:**

**(1) is subject to the approval of the commission;**

**(2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with a riverboat operation; and**

**(3) must be payable to the commission as obligee for use in payment of the riverboat's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.**

**Any bond proceeds remaining after the payments shall be deposited in the community trust fund established by IC 36-7-11.5-8.**

**(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of an operating agent's bond is insufficient, the operating agent shall, upon written demand of the commission, file a new bond.**

**(f) The commission may require an operating agent to file a new bond with a satisfactory surety in the same form and amount if:**

**(1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or**

**(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.**

**(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the operating agent's contract. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.**

**(h) A bond is released on the condition that the operating agent remains at the site of the riverboat operating within the historic hotel district:**

**(1) for five (5) years; or**



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(2) until the date the commission enters into a contract with another operating agent to operate from the site for which the bond was posted;  
whichever occurs first.

(i) An operating agent who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission and used in the same manner as specified in subsection (d).

(j) The total liability of the surety on a bond is limited to the amount specified in the bond, and the continuous nature of the bond may not be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

- (1) the time specified under subsection (h); and
- (2) a written request is submitted by the operating agent.

Sec. 7. (a) An operating agent shall undergo a complete investigation at least once every three (3) years to ensure that the operating agent remains in compliance with this article.

(b) Notwithstanding subsection (a), the commission may investigate an operating agent at any time the commission determines it is necessary to ensure that the operating agent remains in compliance with this article.

(c) An operating agent shall bear the cost of an investigation or a reinvestigation under this section.

Sec. 8. An operating agent contract under this chapter permits the operating agent to operate one (1) riverboat on behalf of the commission.

Sec. 9. An operating agent may apply to the commission for and may hold licenses that are necessary for the operation of a riverboat, including the following:

- (1) A license to prepare and serve food for human consumption.
- (2) Any other necessary license.

Sec. 10. An operating agent may own gambling equipment, devices, and supplies. Each operating agent must file an annual report listing the operating agent's inventories of gambling equipment, devices, and supplies.

Sec. 11. This article does not prohibit an operating agent from operating a school for the training of occupational licensees.



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**Sec. 12. (a) An operating agent must apply for and receive the commission's approval before:**

**(1) an operating agent's contract is:**

**(A) transferred;**

**(B) sold; or**

**(C) purchased; or**

**(2) a voting trust agreement or other similar agreement is established with respect to the operating agent.**

**(b) The commission shall adopt rules governing the procedure an operating agent or other person must follow to take an action under subsection (a). The rules must specify that a person who obtains an ownership interest in an operating agent contract must meet the criteria of this article and any rules adopted by the commission. An operating agent may transfer an interest in an operating agent contract only in accordance with this article and rules adopted by the commission.**

**(c) An operating agent or any other person may not:**

**(1) lease;**

**(2) hypothecate; or**

**(3) borrow or loan money against;**

**an operating agent contract.**

**Sec. 13. A contract entered into under this chapter may not include any terms under which the operating agent is required to pay any amount to the state or the gaming commission other than the fees and taxes specifically authorized or required under this article.**

**Sec. 14. Except as otherwise specifically provided by this article, an operating agent is charged with all the duties imposed upon a licensed owner under this article.**

**Sec. 15. A riverboat operated under an operating agent contract under this article is not exempt from property taxes imposed under IC 6-1.1.**

**SECTION 32. IC 4-33-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) A person holding a supplier's license may sell, lease, and contract to sell or lease gambling equipment and supplies to a licensee or an operating agent involved in the ownership or management of riverboat gambling operations.**

**(b) Gambling supplies and equipment may not be distributed unless the gambling supplies and equipment conform to standards adopted by the commission.**

**SECTION 33. IC 4-33-7-3 IS AMENDED TO READ AS**



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FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. A person may not receive a supplier's license if:

- (1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;
- (2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;
- (3) the person is a member of the commission;
- (4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);
- (5) the person employs an individual who:
  - (A) is described in subdivision (1), (2), or (3); and
  - (B) participates in the management or operation of gambling operations authorized under this article;
- (6) the person owns more than a ten percent (10%) ownership interest in:
  - (A) any other person holding an owner's license; **or**
  - (B) **an operating agent contract;**
 issued under this ~~chapter~~ **article**; or
- (7) a license issued to the person:
  - (A) under this article; or
  - (B) to supply gaming supplies in another jurisdiction;
 has been revoked.

SECTION 34. IC 4-33-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. Gambling equipment, devices, and supplies that are provided by a supplier may be:

- (1) repaired on a riverboat; or
- (2) removed for repair from the riverboat to a facility owned by a licensed owner **or an operating agent.**

SECTION 35. IC 4-33-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) The commission may issue an occupational license to an individual if:

- (1) the individual has applied for the occupational license;
- (2) a nonrefundable application fee set by the commission has been paid on behalf of the applicant in accordance with subsection (b);
- (3) the commission has determined that the applicant is eligible for an occupational license; and
- (4) an annual license fee in an amount established by the commission has been paid on behalf of the applicant in accordance with subsection (b).



(b) A licensed owner, an applicant for a riverboat owner's license, **an operating agent, an applicant for an operating agent contract**, or a holder of a supplier's license shall pay the application fee of an individual applying for an occupational license to work:

- (1) at the licensed owner's **or operating agent's** riverboat gambling operation; or
- (2) for the holder of a supplier's license.

The licensed owner, applicant for a riverboat owner's license, **operating agent, applicant for an operating agent contract**, or the holder of a supplier's license shall pay the annual occupational license fee on behalf of an employee or potential employee. The licensed owner, applicant for a riverboat owner's license, **operating agent, applicant for an operating agent contract**, or the holder of a supplier's license may seek reimbursement of the application fee or annual license fee from an employee who is issued an occupational license.

(c) A license issued under this chapter is valid for one (1) year after the date of issuance.

(d) Unless an occupational license is suspended, expires, or is revoked, the occupational license may be renewed annually upon:

- (1) the payment of an annual license fee by the licensed owner, **operating agent**, or holder of a supplier's license on behalf of the licensee in an amount established by the commission; and
- (2) a determination by the commission that the licensee is in compliance with this article.

(e) The commission may investigate the holder of an occupational license at any time the commission determines it is necessary to ensure that the licensee is in compliance with this article.

(f) A licensed owner, an applicant for a riverboat owner's license, **an operating agent, an applicant for an operating agent contract**, or a holder of a supplier's license shall pay the cost of an investigation or reinvestigation of a holder of an occupational license who is employed by the licensed owner, **operating agent**, or licensed supplier. The licensed owner, applicant for a riverboat owner's license, **operating agent, applicant for an operating agent contract**, or holder of a supplier's license may seek reimbursement of the cost of an investigation or reinvestigation from an employee who holds an occupational license.

SECTION 36. IC 4-33-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. The commission shall adopt rules under IC 4-22-2 providing the following:

- (1) That an individual applying for an occupational license to

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manage riverboat gambling operations under this article is subject to background inquiries and requirements similar to those required for an applicant for an owner's license under IC 4-33-6. (2) That each individual applying for an occupational license may manage gambling operations for only one (1) licensed owner **or operating agent**.

SECTION 37. IC 4-33-8-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) This article does not prohibit a licensed owner **or an operating agent** from entering into an agreement with a school approved by the commission for the training of an occupational licensee.

(b) Training offered by a school described in subsection (a) must be:  
 (1) in accordance with a written agreement between the licensed owner **or operating agent** and the school; and  
 (2) approved by the commission.

SECTION 38. IC 4-33-8-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. Training provided for occupational licensees may be conducted:

(1) on a riverboat; or  
 (2) at a school with which a licensed owner **or an operating agent** has entered into an agreement under section 9 of this chapter.

SECTION 39. IC 4-33-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. Gambling may be conducted by licensed owners **or an operating agent** on riverboats.

SECTION 40. IC 4-33-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. Minimum and maximum wagers on gambling games shall be determined by the person who has been issued an owner's license **or an operating agent contract**.

SECTION 41. IC 4-33-9-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. Employees of the commission and conservation officers of the department of natural resources have the right to be present on a riverboat or adjacent facilities under the control of a person who has been issued an owner's license **or operating agent contract**.

SECTION 42. IC 4-33-9-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. A person who has been issued an owner's license **or an operating agent contract** may not permit any form of wagering on gambling games except as permitted under this article.

SECTION 43. IC 4-33-9-10 IS AMENDED TO READ AS



FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 10. Wagers may be received only from a person present on a ~~licensed~~ riverboat. A person present on a ~~licensed~~ riverboat may not place or attempt to place a wager on behalf of another person who is not present on the riverboat.

SECTION 44. IC 4-33-9-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. (a) All tokens, chips, or electronic cards that are used to make wagers must be purchased from the owner **or operating agent** of the riverboat:

- (1) while on board the riverboat; or
- (2) at an on-shore facility that:
  - (A) has been approved by the commission; and
  - (B) is located where the riverboat docks.

(b) The tokens, chips, or electronic cards may be purchased by means of an agreement under which the owner **or operating agent** extends credit to the patron.

SECTION 45. IC 4-33-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. A person who knowingly or intentionally does any of the following commits a Class D felony:

- (1) Offers, promises, or gives anything of value or benefit:
  - (A) to a person who is connected with the owner **or operating agent** of a riverboat, including an officer or an employee of a riverboat owner, **an operating agent**, or a holder of an occupational license; and
  - (B) under an agreement to influence or with the intent to influence:
    - (i) the actions of the person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a gambling game; or
    - (ii) an official action of a commission member.
- (2) Solicits, accepts, or receives a promise of anything of value or benefit:
  - (A) while the person is connected with a riverboat, including an officer or employee of a licensed owner, **an operating agent**, or a holder of an occupational license; and
  - (B) under an agreement to influence or with the intent to influence:
    - (i) the actions of the person to affect or attempt to affect the outcome of a gambling game; or
    - (ii) an official action of a commission member.
- (3) Uses or possesses with the intent to use a device to assist in:
  - (A) projecting the outcome of the game;

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- (B) keeping track of the cards played;
  - (C) analyzing the probability of the occurrence of an event relating to the gambling game; or
  - (D) analyzing the strategy for playing or betting to be used in the game, except as permitted by the commission.
- (4) Cheats at a gambling game.
- (5) Manufactures, sells, or distributes any cards, chips, dice, game, or device that is intended to be used to violate this article.
- (6) Alters or misrepresents the outcome of a gambling game on which wagers have been made after the outcome is made sure but before the outcome is revealed to the players.
- (7) Places a bet on the outcome of a gambling game after acquiring knowledge that:
- (A) is not available to all players; and
  - (B) concerns the outcome of the gambling game that is the subject of the bet.
- (8) Aids a person in acquiring the knowledge described in subdivision (7) for the purpose of placing a bet contingent on the outcome of a gambling game.
- (9) Claims, collects, takes, or attempts to claim, collect, or take money or anything of value in or from a gambling game:
- (A) with the intent to defraud; or
  - (B) without having made a wager contingent on winning a gambling game.
- (10) Claims, collects, or takes an amount of money or thing of value of greater value than the amount won in a gambling game.
- (11) Uses or possesses counterfeit chips or tokens in or for use in a gambling game.
- (12) Possesses a key or device designed for:
- (A) opening, entering, or affecting the operation of a gambling game, drop box, or an electronic or a mechanical device connected with the gambling game; or
  - (B) removing coins, tokens, chips, or other contents of a gambling game.

This subdivision does not apply to a licensee **or an operating agent** or an employee of a licensee **or an operating agent** acting in the course of the employee's employment.

- (13) Possesses materials used to manufacture a slug or device intended to be used in a manner that violates this article.

SECTION 46. IC 4-33-10-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2.1. (a) This section applies only to contributions made after June 30, 1996.



(b) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

(c) As used in this section, "candidate" refers to any of the following:

- (1) A candidate for a state office.
- (2) A candidate for a legislative office.
- (3) A candidate for a local office.

(d) As used in this section, "committee" refers to any of the following:

- (1) A candidate's committee.
- (2) A regular party committee.
- (3) A committee organized by a legislative caucus of the house of the general assembly.
- (4) A committee organized by a legislative caucus of the senate of the general assembly.

(e) As used in this section, "license" means:

- (1) an owner's license issued under this article; ~~or~~
- (2) a supplier's license issued under this article to a supplier of gaming supplies or equipment, including electronic gaming equipment; ~~or~~

**(3) an operating agent contract issued under this article.**

(f) As used in this section, "licensee" means a person who holds a license. **The term includes an operating agent.**

(g) As used in this section, "officer" refers only to either of the following:

- (1) An individual listed as an officer of a corporation in the corporation's most recent annual report.
- (2) An individual who is a successor to an individual described in subdivision (1).

(h) For purposes of this section, a person is considered to have an interest in a licensee if the person satisfies any of the following:

- (1) The person holds at least a one percent (1%) interest in the licensee.
- (2) The person is an officer of the licensee.
- (3) The person is an officer of a person that holds at least a one percent (1%) interest in the licensee.
- (4) The person is a political action committee of the licensee.

(i) A licensee is considered to have made a contribution if a contribution is made by a person who has an interest in the licensee.

(j) A licensee or a person who has an interest in a licensee may not make a contribution to a candidate or a committee during the following periods:

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- (1) The term during which the licensee holds a license.
- (2) The three (3) years following the final expiration or termination of the licensee's license.
- (k) A person who knowingly or intentionally violates this section commits a Class D felony.

SECTION 47. IC 4-33-10-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2.5. (a) This section applies only to property given after June 30, 1996.

(b) The definitions in IC 3-5-2 apply to this section to the extent they do not conflict with the definitions in this article.

(c) As used in this section, "license" means:

- (1) an owner's license issued under this article; ~~or~~
- (2) a supplier's license issued under this article to a supplier of gaming supplies or equipment, including electronic gaming equipment; ~~or~~

**(3) an operating agent contract entered into under this article.**

(d) As used in this section, "licensee" means a person who holds a license. **The term includes an operating agent.**

(e) As used in this section, "officer" refers only to either of the following:

- (1) An individual listed as an officer of a corporation in the corporation's most recent annual report.
- (2) An individual who is a successor to an individual described in subdivision (1).

(f) For purposes of this section, a person is considered to have an interest in a licensee if the person satisfies any of the following:

- (1) The person holds at least a one percent (1%) interest in the licensee.
- (2) The person is an officer of the licensee.
- (3) The person is an officer of a person that holds at least a one percent (1%) interest in the licensee.
- (4) The person is a political action committee of the licensee.

(g) A licensee or a person with an interest in a licensee may not give any property (as defined in IC 35-41-1-23) to a member of a precinct committee to induce the member of the precinct committee to do any act or refrain from doing any act with respect to the approval of a local public question under IC 4-33-6-19.

(h) A person who knowingly or intentionally violates this section commits a Class D felony.

SECTION 48. IC 4-33-11-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The commission may:

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(1) suspend a license issued to the owner of a riverboat; **or**  
 (2) **require an operating agent to suspend operations;**  
 without notice or hearing if the commission determines that the safety or health of patrons or employees would be threatened by the continued operation of the riverboat.

(b) The suspension of ~~a~~ **an owner's license or an operating agent's operations** under this section may remain in effect until the commission determines that the cause for suspension has been abated. The commission may revoke the license if the commission determines that the owner **or operating agent** has not made satisfactory progress toward abating the hazard.

SECTION 49. IC 4-33-12-1, AS AMENDED BY P.L.192-2002(ss), SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) This subsection does not apply to a riverboat that has implemented flexible scheduling under IC 4-33-6-21. A tax is imposed on admissions to gambling excursions authorized under this article at a rate of three dollars (\$3) for each person admitted to the gambling excursion. This admission tax is imposed upon the licensed owner conducting the gambling excursion.

(b) This subsection applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 **or IC 4-33-6.5**. A tax is imposed on the admissions to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 **or IC 4-33-6.5** at ~~a~~ **the following** rate:  
 of:

(1) **Four dollars (\$4) for each person admitted to a riverboat that docks in a county described in IC 4-33-1-1(3). This admission tax is imposed upon the operating agent of the riverboat.**

(2) Three dollars (\$3) for each person admitted to ~~the~~ **a riverboat that docks in any other county**. This admission tax is imposed upon the licensed owner operating the riverboat.

SECTION 50. IC 4-33-12-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) A licensed owner **or an operating agent** may issue tax-free passes to the following persons:

(1) Actual and necessary officials and employees of the licensee **or operating agent**.

(2) Other persons actually working on the riverboat.

(b) The number and issuance of tax-free passes is subject to the rules of the commission. A list of all persons to whom the tax-free passes are issued must be filed with the commission.

SECTION 51. IC 4-33-12-4 IS AMENDED TO READ AS



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FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) A licensed owner **or an operating agent** must pay the admissions taxes collected to the department. The licensed owner **or operating agent** must make the tax payments each day for the preceding day's admissions.

(b) The payment of the tax under this section must be on a form prescribed by the department.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(e)).

(d) If the department requires taxes to be paid under this section through electronic funds transfer, the department may allow the licensed owner **or operating agent** to file a monthly report to reconcile the amount of taxes paid to the department.

SECTION 52. IC 4-33-12-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. The commission may suspend or revoke the license of a licensed owner **or order the suspension of gaming operations of an operating agent** that does not submit the payment or the tax return form within the required time.

SECTION 53. IC 4-33-12-6, AS AMENDED BY P.L.1-2003, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); or

(ii) is contiguous to the Ohio River and is the largest city in the county; and

(B) the county in which the riverboat is docked, if the riverboat is not docked in a city described in clause (A).

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked. In the

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case of a county described in subdivision (1)(B), this one dollar (\$1) is in addition to the one dollar (\$1) received under subdivision (1)(B).

(3) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission, for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(5) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(6) Except as provided in subsection (k), sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction and no grants

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shall be made before the racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat ~~that operates on Patoka Lake, located in a historic hotel district,~~ the treasurer of state shall quarterly pay the following amounts:

(1) The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

This amount shall be divided equally among the counties described in IC 4-33-1-1(3).

(2) The Patoka Lake development account established under IC 4-33-1-5 shall receive one dollar (\$1) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

(3) The resource conservation and development program that:

(A) is established under 16 U.S.C. 3451 et seq.; and

(B) serves the Patoka Lake area;

shall receive forty cents (\$0.40) of the admissions tax collected for each person embarking on a gambling excursion during the quarter or admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

(4) The state general fund shall receive fifty cents (\$0.50) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

(5) The division of mental health and addiction shall receive ten cents (\$0.10) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(1) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as

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follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

- (i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).
- (ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(2) Sixteen percent (16%) of the admissions tax collected during the quarter shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks;



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and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(3) Nine percent (9%) of the admissions tax collected during the quarter shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b).

(5) Twenty-five percent (25%) of the admissions tax collected during the quarter shall be paid to the department of commerce to be used by the department for the development and implementation of a regional economic development strategy to assist the residents of the county in which the riverboat is located and residents of contiguous counties in improving their quality of life and to help promote successful and sustainable communities. The regional economic development strategy must include goals concerning the following issues:

(A) Job creation and retention.

(B) Infrastructure, including water, wastewater, and storm water infrastructure needs.

(C) Housing.

(D) Workforce training.

(E) Health care.

(F) Local planning.

(G) Land use.

(H) Assistance to regional economic development groups.

(I) Other regional development issues as determined by the department.

(d) With respect to tax revenue collected from a riverboat that operates from a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

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shall be paid to the city in which the riverboat is docked.

(2) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county in which the riverboat is docked.

(3) Except as provided in subsection (k), nine cents (\$0.09) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

(4) Except as provided in subsection (k), one cent (\$0.01) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the northwest Indiana law enforcement training center.

(5) Except as provided in subsection (k), fifteen cents (\$0.15) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during a quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the state fair commission for use in any activity that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k), sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented

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flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

- (A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.
- (B) To a racetrack that was approved by the Indiana horse racing commission under IC 4-31. The commission may make a grant under this clause only for purses, promotions, and routine operations of the racetrack. No grants shall be made for long term capital investment or construction, and no grants shall be made before the racetrack becomes operational and is offering a racing schedule.
- (e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1) **through (c)(2)**, or (d)(1) through (d)(2):
  - (1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;
  - (2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5 but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;
  - (3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and
  - (4) is considered miscellaneous revenue.
- (f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:
  - (1) deposited in:
    - (A) the county convention and visitor promotion fund; or
    - (B) the county's general fund if the county does not have a convention and visitor promotion fund; and
  - (2) used only for the tourism promotion, advertising, and economic development activities of the county and community.
- (g) Money received by the division of mental health and addiction under subsections (b)(5) ~~(c)(5)~~, and (d)(6):
  - (1) is annually appropriated to the division of mental health and addiction;
  - (2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and
  - (3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of

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addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

- (1) Each entity receiving money under subsection (b).
- (2) Each entity receiving money under subsection (d)(1) through (d)(2).
- (3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) **This subsection does not apply to an entity receiving money under subsection (c).** For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under ~~IC 4-33-13-5(f)~~ **IC 4-33-13-5(g)**.

(k) **This subsection does not apply to an entity receiving money under subsection (c).** For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

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- (1) exceed a particular entity's base year revenue; and
  - (2) would otherwise be due to the entity under this section;
- to the property tax replacement fund instead of to the entity.

SECTION 54. IC 4-33-13-1.5, AS ADDED BY P.L.192-2002(ss), SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.5. (a) This section applies only to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 **or IC 4-33-6.5.**

(b) A graduated tax is imposed on the adjusted gross receipts received from gambling games authorized under this article as follows:

- (1) Fifteen percent (15%) of the first twenty-five million dollars (\$25,000,000) of adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year.
- (2) Twenty percent (20%) of the adjusted gross receipts in excess of twenty-five million dollars (\$25,000,000) but not exceeding fifty million dollars (\$50,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.
- (3) Twenty-five percent (25%) of the adjusted gross receipts in excess of fifty million dollars (\$50,000,000) but not exceeding seventy-five million dollars (\$75,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.
- (4) Thirty percent (30%) of the adjusted gross receipts in excess of seventy-five million dollars (\$75,000,000) but not exceeding one hundred fifty million dollars (\$150,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.
- (5) Thirty-five percent (35%) of all adjusted gross receipts in excess of one hundred fifty million dollars (\$150,000,000).

The tax rates imposed under this section apply to adjusted gross receipts received beginning the date flexible scheduling is implemented under IC 4-33-6-21.

(c) The licensed owner **or operating agent** shall remit the tax imposed by this chapter to the department before the close of the business day following the day the wagers are made.

(d) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(e) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensed owner **or operating agent** to file a monthly report to reconcile

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the amounts remitted to the department.

(f) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under IC 4-33-12.

SECTION 55. IC 4-33-13-5, AS AMENDED BY P.L.192-2002(ss), SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) **This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district.** After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars (\$33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection ~~(d)~~: **(e)**.

(2) Subject to subsection ~~(b)~~; **(c)**, twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); **or**

~~(B) in equal shares to the counties described in IC 4-33-1-1(3); in the case of a riverboat whose home dock is on Patoka Lake; or~~

~~(C)~~ **(B)** to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A). **or a county described in clause (B).**

(3) Subject to subsection ~~(c)~~; **(d)**, the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund.

(b) **This subsection applies only to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district.** After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter as follows:

(1) **Thirty-seven and one half percent (37.5%) shall be paid to the property tax replacement fund established under IC 6-1.1-21.**

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(2) Thirty-seven and one half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars (\$20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after

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receiving a recommendation from the county executive.

**(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:**

- (i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).**
- (ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).**

**(c)** For each city and county receiving money under subsection (a)(2)(A) or (a)(2)(C), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat wagering taxes that:

- (1) exceeds a particular city or county's base year revenue; and
- (2) would otherwise be due to the city or county under this section;

to the property tax replacement fund instead of to the city or county.

**(d)** Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

- (1) Surplus lottery revenues under IC 4-30-17-3.
- (2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.
- (3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed

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to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

~~(d)~~ (e) Before August 15 of 2003 and each year thereafter, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. The county treasurer shall distribute the money received by the county under this subsection as follows:

- (1) To each city located in the county according to the ratio the city's population bears to the total population of the county.
- (2) To each town located in the county according to the ratio the town's population bears to the total population of the county.
- (3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

~~(e)~~ (f) Money received by a city, town, or county under subsection ~~(d)~~ (e) may be used only:

- (1) to reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5);
- (2) for deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas;
- (3) to fund sewer and water projects, including storm water management projects; or
- (4) for police and fire pensions.

However, not more than twenty percent (20%) of the money received under subsection ~~(d)~~ (e) may be used for the purpose described in subdivision (4).

~~(f)~~ (g) **This subsection does not apply to an entity receiving money under IC 4-33-12-6(c).** Before September 15 of 2003 and each year thereafter, the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base

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year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to the difference between the entity's base year revenue (as determined under IC 4-33-12-6) and the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6.

SECTION 56. IC 4-33-14-5, AS AMENDED BY P.L.195-2001, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) As used in this section, "goods and services" does not include the following:

- (1) Utilities and taxes.
- (2) Financing costs, mortgages, loans, or other debt.
- (3) Medical insurance.
- (4) Fees and payments to a parent or an affiliated company of **an operating agent or** the person holding an owner's license, other than fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of **the operating agent or** the person holding the owner's license.
- (5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

(b) Notwithstanding any law or rule to the contrary, the commission shall establish annual goals for **an operating agent or** a person issued an owner's license:

- (1) for the use of minority and women's business enterprises; and
- (2) derived from a statistical analysis of utilization study of licensee **and operating agent** contracts for goods and services that are required to be updated every five (5) years.

**An operating agent or** a person holding an owner's license shall submit annually to the commission a report that includes the total dollar value of contracts awarded for goods or services and the percentage awarded to minority and women's business enterprises.

(c) **An operating agent or** a person holding an owner's license shall make a good faith effort to meet the requirements of this section and shall annually demonstrate to the commission that an effort was made to meet the requirements.

(d) **An operating agent or** a person holding an owner's license may fulfill not more than seventy percent (70%) of an obligation under this chapter by requiring a vendor to set aside a part of a contract for minority or women's business enterprises. Upon request, the licensee

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**or operating agent** shall provide the commission with proof of the amount of the set aside.

SECTION 57. IC 4-33-14-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. If the commission determines that the provisions of this chapter relating to expenditures and assignments to minority and women's business enterprises have not been met, ~~by a licensee~~, the commission may suspend, limit, or revoke the owner's license **or operating agent's gaming operations**, or may fine or impose appropriate conditions on the licensee **or operating agent** to ensure that the goals for expenditures and assignments to minority and women's business enterprises are met. However, if a determination is made that a person holding an owner's license **or an operating agent** has failed to demonstrate compliance with this chapter, the person has ninety (90) days from the date of the determination of noncompliance to comply.

SECTION 58. IC 4-33-14-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. The commission shall supply persons holding owner's licenses **and the operating agent** with a list of the minority and women's business enterprises the commission has certified under section 7 of this chapter. The commission shall review the list annually to determine the minority and women's business enterprises that should continue to be certified. The commission shall establish a procedure for challenging the designation of a certified minority and women's business enterprise. The procedure must include proper notice and a hearing for all parties concerned.

SECTION 59. IC 4-33-18-8, AS ADDED BY P.L.192-2002(ss), SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. The department shall impose an annual fee of twenty-five thousand dollars (\$25,000) upon the following:

- (1) Each licensed owner **or operating agent** operating a riverboat in Indiana.
- (2) Each permit holder (as defined in IC 4-31-2-14) operating a live pari-mutuel horse racing facility in Indiana.

SECTION 60. IC 6-1.1-1-15, AS AMENDED BY P.L.90-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. "Real property" means:

- (1) land located within this state;
- (2) a building or fixture situated on land located within this state;
- (3) an appurtenance to land located within this state;
- (4) an estate in land located within this state, or an estate, right, or privilege in mines located on or minerals, including but not limited to oil or gas, located in the land, if the estate, right, or



privilege is distinct from the ownership of the surface of the land;  
and

(5) notwithstanding IC 6-6-6-7, a riverboat:

(A) licensed under ~~the provisions of~~ IC 4-33; or

**(B) operated under an operating agent contract under IC 4-33-6.5;**

for which the department of local government finance shall prescribe standards to be used by township assessors.

SECTION 61. IC 7.1-3-17.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) The commission may issue an excursion and adjacent landsite permit to a person who has been issued a riverboat owner's license under IC 4-33-6 **or an operating agent (as defined in IC 4-33-2-14.5)** to sell alcoholic beverages for on-premises consumption only. The permit may be a single permit even though more than one (1) area constitutes the licensed premises of the permit.

(b) A permit issued under this chapter may be used:

(1) on the riverboat; and

(2) in a restaurant owned by the person who has been issued a riverboat owner's license **or an operating agent contract (as defined in IC 4-33-2-14.6)** if the restaurant is located on property adjacent to the property used by the riverboat for docking purposes.

SECTION 62. IC 36-7-11.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

#### **Chapter 11.5. Historic Hotel Preservation**

Sec. 1. (a) As used in this chapter, "commission" refers to the historic hotel preservation commission established by an interlocal agreement under section 3 of this chapter.

(b) Except as provided in section 11 of this chapter, "fund" refers to the community trust fund established by section 8 of this chapter.

(c) As used in this chapter, "historic hotel" has the meaning set forth in IC 4-33-2-11.1.

(d) As used in this chapter, "qualified historic hotel" refers to a historic hotel that has an atrium that includes a dome that is at least two hundred (200) feet in diameter.

Sec. 2. (a) This chapter applies to a town that satisfies either of the following criteria:

(1) The town contains a qualified historic hotel.

(2) The town contains a historic hotel and is adjacent to

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another town containing a qualified historic hotel.

(b) The towns described in subsection (a) may enter into an interlocal agreement under IC 36-1-7 to establish a historic hotel district under this chapter. The historic hotel district:

- (1) may not include any area outside the county of the towns that enter into the interlocal agreement; and
- (2) consists solely of the real property that is:
  - (A) owned by the historic hotels; and
  - (B) part of the tract of land (as defined in IC 6-1.1-1-22.5) that includes the parcel or parcels of land upon which the historic hotel building is located.

**Sec. 3. (a)** An ordinance establishing an interlocal agreement under section 2 of this chapter:

- (1) must provide for the establishment of a historic hotel preservation commission in the same manner as IC 36-7-11;
- (2) shall specify which powers under IC 36-7-11 the commission may exercise in administering the historic hotel district; and
- (3) may not conflict with a requirement of this chapter.

If any provision in IC 36-7-11 conflicts with this chapter, the provisions of this chapter control.

(b) The ordinance must provide for the following membership on the historic hotel preservation commission:

- (1) An individual appointed by the legislative body of the county in which the towns are located.
- (2) An individual appointed by the convention and visitor's bureau of the county in which the towns are located.
- (3) An individual appointed by the town council of a town meeting the criteria set forth in section 2(a)(1) of this chapter.
- (4) An individual appointed by the town council of a town meeting the criteria set forth in section 2(a)(2) of this chapter.
- (5) An individual appointed by the Historic Landmarks Foundation of Indiana.
- (6) The owner of a qualified historic hotel or the owner's designee.
- (7) The owner of a historic hotel located in a town meeting the criteria set forth in section 2(a)(2) of this chapter or the owner's designee.
- (8) A nonvoting member appointed by the governor.

(c) The members described in subsection (b)(1) through (b)(5) shall each serve for a term of three (3) years. However, the terms of the original voting members may be for one (1) year, two (2)

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years, or three (3) years in order for the terms to be staggered, as provided by the ordinance. A vacancy shall be filled for the duration of the term by the original appointing authority.

(d) The ordinance may provide qualifications for members of the commission described in subsection (b)(1) through (b)(4). In addition, the members appointed under subsection (b)(1) through (b)(4) must be residents of the county who are interested in the preservation and development of historic areas. The commission should include professionals in the tourism industry and professionals in the disciplines of architectural history, planning, and other disciplines related to historic preservation, to the extent that those professionals are available in the community. The ordinance may also provide for the appointment of advisory members that the legislative body considers appropriate.

(e) Each member of the commission must, before beginning the discharge of the duties of the member's office, do the following:

(1) Take an oath that the member will faithfully execute the duties of the member's office according to Indiana law and rules adopted under Indiana law.

(2) Provide a bond to the state that:

(A) is for twenty-five thousand dollars (\$25,000); and

(B) is, after being executed and approved, recorded in the office of the secretary of state.

(f) A member of the commission is not entitled to a salary per diem or reimbursement for traveling expenses or other expenses incurred in connection with the member's duties.

Sec. 4. The ordinance adopted under this chapter may:

(1) designate an officer or employee of a town to which this chapter applies to act as administrator;

(2) permit the commission to appoint an administrator who shall serve without compensation except reasonable expenses incurred in the performance of the administrator's duties; or

(3) provide that the commission act without the services of an administrator.

Sec. 5. (a) The commission shall elect from its membership a chairperson and vice chairperson, who shall serve for one (1) year and may be reelected.

(b) The commission shall adopt rules consistent with this chapter for the transaction of its business. The rules must include the time and place of regular meetings and a procedure for the calling of special meetings. Four (4) voting members constitute a quorum of the commission. No action may be taken by the

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commission unless a majority of the voting members appointed to the commission vote in favor of taking the action.

(c) All meetings of the commission must be open to the public, and a public record of the commission's resolutions, proceedings, and actions must be kept.

(d) If the commission has an administrator, the administrator shall act as the commission's secretary. If the commission does not have an administrator, the commission shall elect a secretary from its membership.

(e) The commission shall hold regular meetings, at least monthly, except when it has no business pending.

Sec. 6. (a) Money acquired by the commission is subject to the laws concerning the deposit and safekeeping of public money.

(b) The money of the commission and the accounts of each officer, employee, or other person entrusted by law with the raising, disposition, or expenditure of the money or part of the money are subject to examination by the state board of accounts.

Sec. 7. (a) Except as otherwise specified in this chapter, the commission has all of the powers and responsibilities of a historic preservation commission established under IC 36-7-11.

(b) The commission shall do the following:

(1) Designate a fiscal agent who must be the fiscal officer of one (1) of the towns to which this chapter applies.

(2) Employ professional staff to necessary assist the commission in carrying out its duties.

(3) Engage consultants, attorneys, accountants, and other professionals necessary to carry out the commission's duties.

(4) Jointly approve, with the Indiana gaming commission, the location and exterior design of a riverboat to be operated in the historic hotel district.

(5) Make recommendations to the Indiana gaming commission concerning the selection of an operating agent (as defined in IC 4-33-2-14.5) that the commission believes will:

(A) promote the most economic development in the area surrounding the historic hotel district; and

(B) best serve the interests of the residents of the county in which the historic hotel district is located and all other citizens of Indiana.

(6) Make recommendations to the Indiana gaming commission concerning the operation and management of the riverboat to be operated in the county.

(c) This section does not limit the powers of the Indiana gaming

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commission with respect to the administration and regulation of riverboat gaming under IC 4-33.

**Sec. 8. (a) The community trust fund is established.**

**(b) The fund consists of the following:**

- (1) Money disbursed from the commission.**
- (2) Donations.**
- (3) Interest and dividends on assets of the fund.**
- (4) Money transferred to the fund from other funds.**
- (5) Money from any other source.**

**(c) The commission shall manage and develop the fund and the assets of the fund.**

**(d) The commission shall do the following:**

- (1) Establish a policy in accordance with subsection (g) for the investment of the fund's assets.**
- (2) Perform other tasks consistent with prudent management and development of the fund.**

**(e) Subject to the investment policy of the commission, the fiscal agent appointed by the commission shall administer the fund and invest the money in the fund.**

**(f) The expenses of administering the fund and implementing this chapter shall be paid from the fund.**

**(g) Money in the fund that is not currently needed to meet the obligations of the fund may be invested in the same manner as other public funds are invested. Interest that accrues from these investments shall be deposited in the fund.**

**Sec. 9. The commission has the sole authority to allocate money from the fund. Money allocated from the fund may be used only for the following purposes:**

- (1) Infrastructure projects in the county.**
- (2) Historic preservation or restoration projects in the community.**
- (3) Other projects designed to enhance the historic character of the surrounding community, including projects in areas of the county that are not within the district.**

**Sec. 10. (a) The commission shall prepare an annual report concerning the fund and submit the report to the legislative council before October 1 of each year.**

**(b) The annual report must include the following:**

- (1) A list of the projects completed during the preceding calendar year for which funds were distributed under section 9 of this chapter.**
- (2) If applicable, evidence of compliance with the United**

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States Secretary of the Interior's standards for historic rehabilitation.

(3) A list of the projects related to the restoration, repair, or maintenance of the exterior, interior, and landscape features of the historic hotels located in the historic hotel district.

(4) A list of the projects that may be initiated in the ensuing calendar year related to the restoration, repair, or maintenance of the exterior, interior, and landscape features of the historic hotels located in the historic hotel district.

Sec. 11. (a) As used in this section, "fund" refers to the West Baden Springs historic hotel preservation and maintenance fund established by subsection (b).

(b) The West Baden Springs historic hotel preservation and maintenance fund is established. The fund consists of the following:

(1) Amounts deposited in the fund under IC 4-33-12-6(c) and IC 4-33-13-5(b).

(2) Grants and gifts that the department of natural resources receives for the fund under terms, obligations, and liabilities that the department considers appropriate.

(3) The one million dollar (\$1,000,000) initial fee paid to the gaming commission IC 4-33-6.5.

The fund shall be administered by the department of natural resources. The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund that is not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. The treasurer of state shall deposit in the fund the interest that accrues from the investment of the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(e) No money may be appropriated from the fund except as provided in this subsection. The general assembly may appropriate interest accruing to the fund to the department of natural resources only for the following purposes:

(1) To maintain the parts of a qualified historic hotel that were restored before July 1, 2003.

(2) To maintain the grounds surrounding a qualified historic hotel.

No money may be appropriated from the fund for restoration purposes if the restoration is to occur after July 1, 2003.

SECTION 63. THE FOLLOWING ARE REPEALED [EFFECTIVE



JULY 1, 2003]: IC 4-33-4-3.6; IC 4-33-15.

**SECTION 64. [EFFECTIVE JULY 1, 2003] (a) This SECTION applies to a county containing a qualified historic hotel (as defined in IC 36-7-11.5-1, as added by this act).**

**(b) Notwithstanding IC 4-33-6-19, if:**

- (1) the legislative body of the county adopts an ordinance under IC 4-33-6-18; or**
- (2) at least five percent (5%) of the registered voters of the county sign a petition submitted to the circuit court clerk requesting that a local public question concerning riverboat gambling be placed on the ballot;**

**the county election board shall place the question described in subsection (c) on the ballot in the county during a special election held in 2003 that meets the conditions set forth in subsection (d).**

**(c) The following is the form of the question that shall be placed on the ballot:**

**"Shall riverboat gambling be permitted in the county of \_\_\_\_\_?"**

**(d) A special election may be held in 2003 in conjunction with municipal elections held in the county if an applicant for an operating agent contract pays in advance of the election the amount that is the difference between the cost to hold a special election and the sum of the costs to hold municipal elections in the county, as determined by the county election board.**

**(e) A public question under this SECTION shall be placed on the ballot in accordance with IC 3-10-9.**

**(f) The clerk of the circuit court of a county holding an election under this SECTION shall certify the results determined under IC 3-12-4-9 to the Indiana gaming commission and the department of state revenue. The results shall be treated as if the election had been held under IC 4-33-6-19.**

**(g) If a public question is placed on the ballot under this SECTION in a county and the voters of the county do not vote in favor of permitting riverboat gambling in the county, another public question under IC 4-33-6-19, as amended by this act, may not be held in the county for at least two (2) years.**

**(h) In a special election held under this SECTION:**

- (1) IC 3 applies except as otherwise provided in this SECTION; and**
- (2) at least as many precinct polling places that were used in the county during the most recent general election must be used for the special election.**



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**(i) IC 4-33-10-2.5(g) applies to the special election held under this SECTION to the same extent as if the election had been held under IC 4-33-6-19.**

**(j) This SECTION expires January 1, 2004.**

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Speaker of the House of Representatives

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President of the Senate

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President Pro Tempore

Approved: \_\_\_\_\_

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Governor of the State of Indiana

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**HEA 1902 — Concur+**

